

**2011 CalPERS Health Plan Rate and Benefit Changes Seminar**  
 CalPERS Health Maintenance Organization (HMO) Plans – Blue Shield of California

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**Blue Shield's two HMO plans**  
*We need your help to eliminate the confusion between our two plans...*

- Access+ – the premium, fully-loaded HMO that's predictable and cost-effective
  - Most appropriate for solo subscribers who use their plan, families with older children, and those looking for flexibility
- NetValue – the value HMO that accommodates choice
  - Most appropriate for families with young children, solo subscribers who do not use their plan often, and those looking for cost savings

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**Access+ network**

- The premium, fully-loaded HMO with no deductible that's predictable and cost-effective available throughout California
  - Choice of over 11,000 primary care physicians statewide
  - Over 300 hospitals statewide
  - Over 21,500 specialists statewide
  - Self-referral through Access+ Specialist

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### Access+ Benefit Highlights

- Physician Services
  - \$ 0 charge for preventative care
  - \$15 office visit copay for primary doctor, and specialist care
  - \$ 30 copay for self-referral specialist visits
- Diagnostic Testing (Lab, X-Ray)
  - \$0 Co-pay
- Hospitalization
  - No charge inpatient or outpatient

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### Access+ Benefit Highlights

- Prescriptions
  - For short-term or acute illness from a retail pharmacy, for a 30-day supply: \$5 generic, \$15 brand, \$45 non-formulary
  - For maintenance drugs from a retail pharmacy, for a 30-day supply after the first 3 months: \$10 generic, \$25 brand name, \$75 non-formulary
  - For maintenance drugs by mail, up to a 90-day supply: \$10 generic, \$25 brand name, \$75 non-formulary

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### NetValue network

- The value HMO with no deductible that accommodates choice
  - Available to almost 80% of CalPERS Blue Shield members. In 2011 NetValue will be offered in 23 counties, including Santa Clara, Santa Cruz and the balance of San Mateo
  - The NetValue network is comprised of the most efficient providers
  - Because of the more efficient network, members pay a lower monthly premium without sacrificing quality of care
  - NetValue has created the competition needed to drive some providers to reduce their rates and/or referral patterns in order to participate in this product; in some cases medical groups have re-negotiated rates in order to meet the criteria to be included in the network

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### Blue Shield 65+

- Blue Shield 65+ is a GMA-PD health plan that has replaced the Blue Shield Medicare COB plan in all or parts of Fresno, Kern, Los Angeles, Madera, Orange, Riverside, San Bernardino, San Luis Obispo and Ventura counties
- The plan provides health benefits to anyone eligible for Medicare who enrolls in and receives services from the plan instead of receiving their benefits and care through the traditional fee-for-service Medicare program

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### Blue Shield 65+ (continued)

- To participate members must be enrolled in both Medicare Parts A and B and receive all Medicare-covered benefits through Blue Shield 65+
- Members choose a primary care physician and receive services from Blue Shield's network of providers, similar to a traditional HMO
- The plan administers and delivers both medical and prescription drug coverage

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### 2011 Benefit Changes

- The only medical benefit change for Blue Shield plans will be the introduction of a \$250 hospital co-pay for upper and lower endoscopy, cataract surgery, and spinal injection when an outpatient hospital is used in lieu of an ambulatory surgery center – Blue Shield contracts with over 446 ambulatory surgery centers throughout California
- Exclude the non-formulary brand prescription co-pay from the \$1000 maximum out-of-pocket (OOP) mail-order spend for members

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### 2011 Benefit Changes (continued)

- Change the partial co-pay waiver for non-formulary brand drugs. Non-formulary brand retail co-pays will increase from \$30 to \$40; mail order co-pays will increase from \$45 to \$70
- Establish a 50 percent coinsurance for drugs used for erectile dysfunction

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### Valuable Services for Members

- Access+ Specialist
- Access+ Satisfaction
- Nurse Help 24/7
- Life Referrals 24/7
- Ask A Pharmacist
- Healthy Lifestyle Rewards
- Travel coverage
- Away From Home Care
- Health management programs
- Ratings & Review
- Ask & Answer
- [blueshield.ca.com/calpers](http://blueshield.ca.com/calpers)
- Hospital Comparison Tool
- Drug Interaction Checker
- Symptom Checker

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### Valuable Services for Members (continued)

- Surgery – before and after
- Hearing and visual resources
- Patient Ally
- Health library

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### Members Save Money and Get Healthy

- Acupuncture, Chiropractic and Massage therapy services – 25% or more off the usual and customary fees
- Online discounts on health-improvement products including vitamins, herbal supplements, homeopathic remedies, diet and sports nutrition, yoga and fitness equipment, personal body care and health and wellness books, audio and DVD products

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### Members Save Money and Get Healthy (continued)

- Vision – 20% off the published retail prices when an in-network provider is used including routine eye examinations, frames and lenses, tints and coatings, non-prescription sunglasses
- LASIK laser vision – 15% discount when an in-network provider is used
- Weight Watchers discounts
- 24 Hour Fitness discounts
- Drugstore.com discounts

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### Useful Tools for You and Members

- Custom newsletter for CalPERS HBOs, *In The Know*, with articles and information you can use in your own newsletters
- Custom newsletter for CalPERS members, *Shield Connect*, with benefit information as well as helpful tips and tools
- Our dedicated CalPERS Member Services staff is available to help 7 a.m. to 7 p.m., Monday through Friday at 800-334-5847
- Dedicated CalPERS HBO Priority Services staff to expedite your needs

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### Useful Tools for You and Members (continued)

- A series of informative and educational Webinars for HBOs and members
- A comprehensive “Find a Provider” online tool that identifies physicians by location, specialty and IPA, hospital affiliation and ambulatory surgery centers
- Dedicated Blue Shield Account Management Team

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### How Do Members Find a Doctor?

Members have two options to find and choose a Primary Care Physician or a specialist

1. They can call our dedicated CalPERS Member Services team at 800-334-5847 and have a custom directory mailed or emailed to them
2. They can go to our dedicated CalPERS website at [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers) and find a physician using our online tool

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### How Do Members Find a Doctor? (continued)

- A change of their Primary Care Physician must be made through Member Services or online at [blueshieldca.com](http://blueshieldca.com)
- Members can change their primary care physician as often as once a month and do not need to wait for open enrollment

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### Online Find a Provider Feature



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### Helpful Websites and Phone Numbers

- CalPERS
  - [www.calpers.ca.gov](http://www.calpers.ca.gov)
  - 888 CalPERS (or 888-225-7377)
- Anthem Blue Cross
  - [www.anthem.com/ca/calpers](http://www.anthem.com/ca/calpers)
  - (877) 737-7776
- Blue Shield of California
  - [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers)
  - (800) 334-5847
- Kaiser Permanente
  - [www.kp.org/calpers](http://www.kp.org/calpers)
  - (800) 464-4000
- Medco
  - [www.medco.com/calpers](http://www.medco.com/calpers)
  - (800) 939-7091

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2011 CalPERS Health Plan Rate and Benefit Changes Seminar  
Southern California Sessions

Date: July 30, 2010  
Segment: Health Plan Rate and Benefit Changes Seminar  
Host: Pamela Goldberg  
Guests: Heidi Clark, Blue Shield

**Video Transcript**

Pamela Goldberg:

Now I'd like to invite the representative from Blue Shield of California, Heidi Clark.

Heidi Clark:

Good afternoon. So today Blue Shield really wants to take this opportunity to provide you with some clarification regarding our two main plans we offer to Basic members. So first and foremost, Blue Shield offers our Access+ HMO, and this HMO is probably the plan that most of us are more familiar with. We really consider it our flagship HMO. And then the second product that we offer to Basic members is our NetValue HMO which is our value based HMO product. And it's really kind of a hybrid of our Access+ HMO.

The next few slides I'm going to take you through, I'm going to provide you with a little bit more detail on both of these plans. So, first off our Access+ plan. So our Access+ plan again is really our flagship HMO. It's one that we've offered to CalPERS members for many years and it's a plan that really offers members the freedom to choose because of the large network that's associated with it. And predictable cost of healthcare in terms of you know what you're going to pay exactly when you go to the doctor at the time of service. So in the Access+ plan, we have over 11,000 primary care physicians across the state. Also associated with the plan, we have over 300 routine hospitals across the state including hospitals such as Stanford University. And then we have over 21,000 specialists associated with Access+. Included in the Access+ plan and also the NetValue plan which I'm going to get into detail further on, we offer a self referral benefit, which allows members to self refer to a specialist that's within their primary care physician's medical group. And so, as I mentioned before, we have over 21,000 specialists, 300 hospitals across the state. Again, that goes back to the point where I talked about how members really have that freedom to move about the plan.

So on the next slide, I'm going to provide you some insight in terms of the benefits associated with the Access+ plan. But I also want to make note that these benefits that I'm calling out on the Access+ plan are available on our NetValue plan as well.

So just routine physician services. If a member's going in for any kind of preventative services, and preventative is this large umbrella of service. And that includes your routine annual well woman exam, physical exams, well baby care.

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But it also includes services such as a routine eye exam and allergy testing and treatment. Member's going to pay zero dollar every time they go into to see that, to see their physician for these services. For office visits it's a \$15 copay and that would include any kind of routine care that you need to have with your primary care physician, or any referrals that your doctor might make to a specialist. And as I mentioned before, we offer this unique benefit that's truly unique to the Blue Shield plans and that's our self referral benefit. Our Access+ self referral feature, which is a \$30 office visit copay, and again this self referral benefit is available on both Access+ and also NetValue.

Going into diagnostic testing and lab and x-ray, members have no share of cost for those services. So again if your doctor needs to send you off for lab work, you know what you're going to pay, 100% coverage. Hospitalization for both inpatient and outpatient members are also covered at 100%.

Going into the next slide we provide you with a little bit more insight into both the Access+ and the NetValue benefit package, looking at the prescription drugs specifically. Now Blue Shield of California maintains a drug formulary listing and on those medications are preferred medications that we recommend for our members. But CalPERS members have a very rich plan design in that they have coverage for non-formulary medications as well. So just looking here at the slides, for short term acute illness, so if you let's say have an infection and your doctor needs to put you on a short-term antibiotic, when you go to the retail pharmacy, you're gonna simply pay a \$5 office visit copayment for a generic medication, \$15 for brand, and as I mentioned, if your doctor needs to put you on a non-formulary medication, you can have that on the Blue Shield plans and it's a \$45 copay. Now if you're taking a medication that we consider to be maintenance, we really want to encourage our members to go through our mail order program. Now, as members are picking up maintenance medications, medications that they need to take every single month, at the retail pharmacy, after three consecutive months of getting that drug, the copayment will go up to what we would normally charge for members who get their medications at mail. So there's a benefit for members to go through the mail order program. Essentially what they get through the mail order program is they're going to get a 90 day supply of that maintenance medication. It's very convenient for members to get that. And when you look at the copay structure for the benefits, members are going to pay what they would pay for two months of that same medication at the retail pharmacy. So when you look at it from that perspective, it's really like getting a month worth of medication free.

So going into the next slide, we're going to talk a little bit more in detail about our NetValue plan. As I mentioned before, the NetValue plan is really our value based HMO that we offer to CalPERS members. And when we created this plan several years back, we recognized the need and partnership with CalPERS that CalPERS members wanted and needed a value based HMO plan that really allows them the freedom to select a doctor within our network. So to build this,

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we took a look at our full Access+ network and we identified certain medical groups that met certain standards and invited them to join a hybrid NetValue network. And so because of these efficiencies and these metrics that these providers needed to meet, we were able to offer down that savings that Blue Shield saved in our experience with these doctors, to CalPERS members. Now basically just stepping back, these members have access to the same benefits that our Access+ members have. They would need to utilize physicians with our hybrid NetValue network. And that is really the difference. We're really proud to say that this plan has expanded through the years. And this next year in 2011 is a very exciting year for those people up in Northern California because we've been able to expand the plan into three new counties, Santa Cruz, Santa Clara and the remaining balance of San Mateo County. And I think this is proof that Blue Shield is really changing the way our providers do business with us, and our relationship. They're wanting to join the NetValue network. They're seeing that CalPERS members want this type of plan and we're continuing to be able to grow it and we hope to grow it in the future.

So the Blue Shield 65 Plus plan is on the next slide. Blue Shield 65 Plus is a group Medicare Advantage prescription drug plan. And it was recently offered uniquely new to the CalPERS market as of January 1<sup>st</sup>, 2010. And with this particular plan, it really offers members great convenience in that they no longer have to have that kind of relationship with Medicare to where charges are going to need to be filed with Medicare first, and then to Blue Shield as secondary. Blue Shield acts as the main health plan for those members that are enrolled in group Medicare Advantage. So they only need to work through Blue Shield to access care and services. So this plan is available in nine counties in Southern California. We have a great deal of information on the Blue Shield website that provides a little bit more detail on this plan.

So going into the next slide, again a few more key highlights on our group Medicare Advantage Plan, Blue Shield 65 Plus. In order for a member to be enrolled in this plan, they need to have both Part A and Part B Medicare. And again this plan is a prescription drug plan. So the members that are enrolled in this plan do have Medicare Part D and because this is a group customized plan, CalPERS built it to where the members that are enrolled in this plan never experience what we commonly term as the donut hole. They have the full prescription drug coverage that they enjoyed as an active member on the CalPERS plans.

So the next slides will provide you some information in terms of the benefit changes that are impacting the Blue Shield plans next year. So the only main medical benefit change that's happening with the Blue Shield plans is the introduction of a \$250 copay for certain outpatient procedures that are done in an outpatient setting when they could have been provided in an ambulatory surgery center. So this particular change we really are going to be communicating quite a bit to our members, and also to our provider network as well. So this \$250 copay

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will only apply in these circumstances. So, the guiding principle is that outpatient procedures are covered at 100% and we're really going to ensure that our provider network, our specialists, our primary care physicians understand that we want CalPERS members to have these services in this type of a setting. So the next change, and that change, the ambulatory surgery copay only applies to members that are Basic members. It does not apply to any of our Medicare members.

The next benefit change is the exclusion of non-formulary brand prescription drugs from our \$1,000 out-of-pocket maximum for mail order medications. So currently Blue Shield maintains a log, so to speak, of members when they're utilizing our mail order program. We're keeping track of how much money members have to spend out-of-pocket. And if for some reason a member spends more than \$1,000 out-of-pocket on their mail order medications, we will pay for those medications at 100% for the remainder of the year. Going into 2011, we will only include what members spend for generic and formulary, or excuse me, brand formulary medications. We will not allow non-formulary to be included in that count.

The next slide provides you with information on two additional benefit changes. And I'm sorry, going back to that out-of-pocket maximum, that impacts all Blue Shield plans with the exception of our group Medicare Advantage plan, 65 Plus.

Currently CalPERS members if they have a medical need as to why they cannot take a formulary medication, their physician can contact Blue Shield to request a decreased non-formulary copayment. Currently that copayment sits at \$30. Going into 2010, at retail it's going to increase to \$40. That particular change only impacts our members that are enrolled in our Access+ and NetValue both basic and Medicare plans. It does not impact 65 Plus members.

And lastly, the final change is Blue Shield has introduced a new copayment for lifestyle medications to which Blue Shield will pay 50% of the billed charges and the member would be responsible for the remaining 50. And that impacts all Blue Shield plans.

So getting into the final slides, we really wanted to highlight for all of you some of the value-added benefits that we offer to Blue Shield members. And there's three that I really want to take a moment to talk about. That first one is our Nurse Help 24/7. I have actually used it myself as a Blue Shield member, and what it is is a nurse line that members can call 24 hours a day/7 days a week. I had to actually call on Christmas Day myself. And you can speak to a registered nurse. And you really get that guidance you need to understand if you need to go to the emergency room, or if you need to go to the urgent care, or potentially how to provide self care at home. We also offer a healthy lifestyle rewards program. And that is an online wellness program to where we really help our members to take charge of their health. And in doing so, we actually provide them with

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financial incentives to take part. So just for going out online and taking the online wellness assessment, we send our members a \$50 Visa gift card just for participating. And if they choose to continue on throughout the year, they can earn up to \$200 a year and it's available to anybody on our Access+ or NetValue plan over the age of 18 including dependents.

Lastly, the Blue Shield plan really travels with its members. We offer emergency and urgent coverage across the world, so if you're traveling out of the country you have that available to you. But in addition to that, in many states, we're able to offer members who have dependent students who are temporarily living out of state, a guest membership in that state to where they can access their plan as they would in the state of California, including routine care. And if members want additional information about this, I would encourage them to contact Blue Shield's member services and they can provide them with that detail.

So going into the next slide, again it just highlights a few of the key value added services that Blue Shield offers. Moving on to one of the final slides, Blue Shield offers a rich discount program to its members. It's very similar to the AAA discount to where you can show your AAA card when you go into a provider and they'll give you a discount. Well, members can do that for acupuncture, chiropractic, massage therapy care. They can actually get up to 25% off the bill. In addition to that, we offer a number of other online services and discounts including Weight Watchers, 24 Hour Fitness. And we have a website that we're associated with and that's drugstore.com to where our members can get discounts on different alternative type health care medication as well as just routine care.

Blue Shield also offers a number of discounts to, for vision care. As I mentioned before, we offer routine eye refraction benefit where members can get a free of charge service. But they can also get discounts on frames and lenses. They can get up to 20% off.

Going on to the next slide, just highlight some of the key programs and services that we have available to help support you as an HBO. And I would encourage you to look through this slide and if you want additional information you can visit the Blue Shield website. We have a specific HBO portal and that's [www.blueshieldca.com/calpersonhbo](http://www.blueshieldca.com/calpersonhbo).

So I want to advance just two slides and move straight to how to Find a Doctor. The Blue Shield website we've really taken extra steps to try to make this a more navigatable website. I just want to call out for you if a member has an interest in finding out if a doctor is part of our network, they can actually contact Blue Shield's member services and we can email them a customized directory or send it to them in the mail or even fax it to them. But our website again is the greatest, most up-to-date resource for them to get that information. And as I mentioned before it's [blueshieldca.com/CalPERS](http://blueshieldca.com/CalPERS). The most important step when you're out

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finding a doctor is that when you select the plan type you're choosing CalPERS.  
And if you advance two slides you can see the online Find a Provider feature.

Thank you so much for your time.

**Blue Shield of California (HMO)**  
**Access+ / NetValue**  
**Questions and Answers**

**Q. Does the physician co-pay of \$15 apply also to preventative visits? Blue Shield said \$0 for those types.**

A. Yes. All preventative visits have a \$0 co-pay including office visits for examination, diagnosis and treatment of a medical condition, disease or injury, including specialist office visits, second opinion or other consultations, diabetic counseling, and OB/GYN services from an obstetrician/gynecologist or a family practice physician who is within the same medical group or IPA as the Personal Physician.

Members can expect to pay a \$15 per visit copay for:

Preventative care

1. Preventive health services, as defined, when rendered by a physician are covered.
2. Eye refraction to determine the need for corrective lenses for all Members upon referral by the personal Physician. (Limited to one visit per calendar year, for Members aged 18 and over. No limit on number of visits for Members under age 18.)

Copayment: No charge.

**Q. Regarding self-referral to Specialist. Please clarify, can one self-refer to any specialist within the Blue Shield network, or only those associated with your Primary Care Physician? If it is the latter, how do you find which specialists are associated with your primary care physician?**

A. Access+ Specialist. You may arrange an office visit with a Plan specialist in the same medical group or IPA as your Personal Physician without a referral from your Personal Physician, subject to the limitations described below. Access+ Specialist office visits are available only to Members whose Personal Physicians belong to a medical group or IPA that participates as an Access+ Provider. Refer to the HMO Physician and Hospital Directory or call Blue Shield Member Services at (800) 334-5847 to determine whether a medical group or IPA is an Access+ Provider. When you arrange for Access+ Specialist visits without a referral from your Personal Physician you will be responsible for a \$30 copayment for each Access+ Specialist visit. This copayment is in addition to any copayments that you may incur for specific benefits as described in the Summary of Covered Services. Each follow-up office visit with the Plan specialist which is not referred or authorized by your Personal Physician is a separate Access+ Specialist visit and requires a separate \$30 copayment.

**Q. When will the data regarding the expansion of Blue Shield NetValue to new counties (which hospitals & physician networks are included, etc.) be available?**

A. The data is currently available on the CalPERS sites for Members and HBOs. Our HBO site has two links: *Expanded Network for NetValue Plan Network* (County List) and *News* tab (Medical Groups who have joined the NetValue Network). Our Member site has a link [NetValue HMO Medical Groups for 2011](#)

**Q. Is self-referral program available for Blue Shield Net Value members?**

A. Yes, the Access+ specialist is available to both Access+ HMO, and NetValue HMO members

**Q. Is NetValue plan available in Stanislaus County?**

A. No

**Q. Regarding Blue Shield, Members save \$\$ ...slides. Are these available for Blue Shield NetValue members?**

A. Yes, our Discount Programs are available to all Blue Shield members. For additional information regarding our Discount Programs, please visit our website at [www.blueshieldca.com/calpers](http://www.blueshieldca.com/calpers) click on *Wellness Resources*, click on *Discount Programs*.

**Q. Blue Shield NetValue - please elaborate on the \$250 hospital co-pay?**

A. The \$250 per procedure co-pay applies to upper and lower gastrointestinal (GI) endoscopy, cataract surgery, and spinal injections, when an outpatient hospital is used in lieu of an ambulatory surgery center. This copayment does not apply to any endoscopy performed as a preventive health service.

**Q. Is a \$250 hospital copay per admission for bariatric surgery being added for 2011 for HMOs if the member does not use a Center of Expertise?**

A. No. The \$250 copayment only applies per procedure when an outpatient hospital is used in lieu of an ambulatory surgery center for upper and lower gastrointestinal (GI) endoscopy, cataract surgery, and spinal injection. This copayment does not apply to any endoscopy performed as a preventive health service.

**Q. Who provides the pharmacy benefit for the Blue Shield plans?**

A. Blue Shield of California administers its own pharmacy benefit. We contract with PrimeMail to provide mail order services however claims are processed and paid by Blue Shield.

**Q. Will members be notified of current prescriptions that no longer qualify under the 2011 pharmacy plans?**

A. Members who are taking prescription medications that are impacted by 2011 pharmacy benefit changes will be notified by mail. There are no prescriptions that no longer qualify for coverage under the 2011 pharmacy plans, at most impacted members will notice a change in their co-payments for select prescriptions.

**Q. Blue Shield NetValue Retail Pharmacy benefit change: Will employees receive a letter from the Plan stating their co-payment will increase after the 1st three months? They are mailed directly to member correct?**

A. The maintenance medication benefit was introduced in 2010 and employees were notified of the advantages of moving their prescriptions to the mail service pharmacy, PrimeMail. There is no new benefit change in 2011 that will cause an increase in member co-payments after the 1st three months.

**Q. Are you still not accepting Sutter Medical?**

A. On May 19, 2004, the California Public Employees' Retirement System (CalPERS) Board of Administration voted to create a new 2005 Blue Shield CalPERS Provider Network in an effort to contain rising hospital costs. As a result, the Blue Shield of California provider network offered to CalPERS members was reduced by 24 hospitals statewide, effective January 1, 2005.

Some doctors, such as those affiliated with Sutter Health System, have agreed to contract only with health plans that contract with Sutter hospitals. Since Blue Shield eliminated some of the Sutter hospitals from the 2005 Blue Shield CalPERS Provider Network, some Sutter-affiliated doctors are not available to CalPERS members.

To find out if your current doctor is in our network, or to choose a new doctor, go to [blueshieldca.com/findaprovider](http://blueshieldca.com/findaprovider). Choose *Find a Doctor*, and under *Choose a Plan*, select *CalPERS*, and then choose *CalPERS Access+ HMO*, *CalPERS NetValueHMO*, or *CalPERS Access+ EPO*. If you don't have access to the Internet or need help, simply contact Member Services at (800) 344-5847 for personal assistance. You can change your Personal Physician at anytime for any reason, and your new doctor will be effective on the first of the following month.

**Q. Do you have a list of which hospitals are included?**

A. Yes, and to find out if your current hospital is in our network, or to review the list of hospitals in our network, go to [blueshieldca.com/findaprovider](http://blueshieldca.com/findaprovider). Choose *Find a Hospital, Urgent Care Center or Other Facilities*; under *Choose a Plan*, select *CalPERS*, and then choose

*CalPERS Access+ HMO, CalPERS NetValueHMO, or CalPERS Access+ EPO.* If you don't have access to the Internet or need help, simply contact Member Services at (800) 334-5847 for personal assistance.

**Q. Is there an explanation as to why the rates for Blue Shield increased so significantly?**

A. Blue Shield's CalPERS members have received rate increases well below the state average for the past three years. Blue Shield and CalPERS have collaborated on numerous cost-saving initiatives during these years – including using narrow networks of low-cost, high quality providers – that have resulted in savings for CalPERS. As a result of these efforts, we have been able to keep rates lower, with average increases of 7.4% over the past three years, compared to the state average of 10.2%.

The 2011 rate increase is artificially high because CalPERS used past savings to give members a rate break last year, "buying down" the rate instead of charging a rate that would cover expected medical costs. CalPERS did this to ease the burden of the economic downturn and state worker furloughs. The rate increase for 2010, which should have been around 10%, was instead only 2%. Therefore, the real 2011 rate increase is only 8.2%.

More than 95% of the premiums paid by CalPERS are used to cover the cost of medical care for its members.

**Q. Why does Blue Shield continue offering the Rewards program while having such a huge increase in premiums?**

A. Healthy Lifestyle Rewards is not a contributing factor to the overall premium increase to Blue Shield members. In partnership with CalPERS we believe offering a health management program to our members will help members to proactively manage their overall health. By taking this approach members can help manage the overall rising cost of health care

**Q. If our employee is already a member of Weight Watchers or 24-Hour Fitness can they still get the discounts?**

A. Yes, details noted below.

**Weight Watchers**

- Online savings – \$10 off each 3-month subscription; waived registration fee
- At-home kits – \$10 off each kit
- Meeting vouchers –special member prices (amounts vary by location)
- Premium extras – complimentary walking kits and exercise DVDs

**24 Hour Fitness**

- Waived enrollment and processing fees
- Discounted initiation fees and monthly dues – as low as \$29.99 a month

For members who are already existing customers with either of the above mentioned vendor please contact the vendor directly to see if any of the above mentioned discounts can be applied to your existing account.

**Q. Any restrictions on seeking massage therapy? (e.g. has to be recommended by the physician).**

A. The American Specialty Health Network discount is available to all Blue Shield of California members and allows you to save at least 25% off the cost of visits to acupuncturists, chiropractors and massage therapists. Search American Specialty Health Networks for alternative care providers; go to [www.ash.com](http://www.ash.com), click on Find a Provider, click on Select a Service Type, click on Massage Therapy.

If you don't have access to the Internet or need help, simply contact Member Services at (800) 344-5847 for personal assistance